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19 Attorneys for HealthCare Conglomerate Associates, LLC.
20 And Vi Healthcare Finance, Inc.

21 **UNITED STATES BANKRUPTCY COURT**

22 **EASTERN DISTRICT OF CALIFORNIA, FRESNO DIVISION**

23 In re:

24 SOUTHERN INYO
25 HEALTHCARE DISTRICT,

26 Debtor.

27 Case No. 16-10015-A-9

28 Chapter 9

DC NO.: KDG-4

Date: March 21, 2019

Time: 1:30 p.m.

Place: United States Bankruptcy Court
2500 Tulare Street, Fifth Floor
Department A, Courtroom 11
Fresno, California

Judge: Honorable Fredrick E. Clement

29 **EXHIBITS IN SUPPORT OF SECOND SUPPLEMENTAL
30 DECLARATION OF HAGOP T. BEDOYAN IN SUPPORT OF REPLY TO
31 OPPOSITION TO MOTION TO DISQUALIFY ASHLEY M. McDOW
32 AND FOLEY & LARDNER AS ATTORNEYS FOR THE DEBTOR**

EXHIBIT	DESCRIPTION	PAGE(S)
"TT"	November 1, 2017 e-mail from Marshall Grossman of Orrick firm to Peter James and Ashley McDow of Baker	3 - 4
"UU"	Emergency Motion to Continue Hearing on the Status Conference and the Associated Filing Deadlines (Doc. # 338)	5 - 9

1 Dated: March 6, 2019
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KLEIN, DENATALE, GOLDNER, COOPER,
ROSENLIEB & KIMBALL LLP

By: /s/ Hagop T. Bedoyan

HAGOP T. BEDOYAN,
Attorneys for HealthCare Conglomerate
Associates, LLC and Vi Healthcare Finance,
Inc.

From: Grossman, Marshall
To: Nahabet, Natalie
Subject: FW: Baker Conflict
Date: Wednesday, November 1, 2017 3:45:54 PM
Attachments: image002.png
image003.png
image005.png

From: Grossman, Marshall
Sent: Wednesday, November 01, 2017 12:47 PM
To: pjames@bakerlaw.com
Cc: amcdow@bakerlaw.com; Grossman, Marshall <mgrossman@orrick.com>
Subject: Baker Conflict

11/1/17

Dear Mr. James,

This communication follows up on my several emails to you and others at your firm and our telephone conversation of October 30.

1. There has been no substantive response by your firm to the specific requests made in our several emails and during the telephone conversation. In the emails and conversation, we protested the prior conduct of your firm and suggested measures your firm can take to help mitigate the harm it has caused to HCCA and its representative, Dr. Benzeevi.
2. We are concerned about the impact of your firm's filings in the Southern Inyo case on the case itself. Of course, we are also concerned about the impact of those filings on the Tulare case. They were used against HCCA in support of the Tulare District's motion for authorization to reject the Tulare MSA. Furthermore, we are concerned about the effect of the filings on the business and reputation of HCCA and Dr. Benzeevi more generally. I trust this is now clear.
3. For the record, HCCA objects to any further participation by your firm on behalf of the debtor in the Southern Inyo case. It views your firm's prior participation in the planning and conduct of the case on behalf of the Southern Inyo District and adverse to the interests of HCCA and Dr. Benzeevi as a violation of your firm's ethical, legal and fiduciary duties owed to them. In short, your firm has an actual conflict of interest; not merely a potential conflict.
4. We have the following questions which require an immediate response:
 - a. Will your firm voluntarily withdraw from representing the debtor in all further proceedings in the Southern Inyo case?
 - b. Will your firm stipulate to or not oppose an application by HCCA to vacate the prior order designating the Inyo Board as the sole signatory on all District bank accounts?
 - c. Will your firm agree to or not oppose the striking from the record the declaration of Ashley McDow and the "Emergency Motion" which relies in material part on that declaration?
 - d. Will your firm and the debtor stipulate to the taking of Ms. McDow's deposition within the next 30 days?

We request a response before the end of this week. All rights are reserved.

Marshall B. Grossman

Partner

Orrick

Los Angeles 

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Attorneys for Debtor
SOUTHERN INYO HEALTHCARE DISTRICT

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
FRESNO DIVISION

In re

SOUTHERN INYO HEALTHCARE
DISTRICT,

Debtor.

Case No.: 2016-10015

Chapter 9

Doc. No.: BH-20

**EMERGENCY MOTION TO CONTINUE
HEARING ON THE STATUS
CONFERENCE AND THE ASSOCIATED
FILING DEADLINES**

Proposed Hearing:

Date: November 1, 2017
Time: 1:30 p.m.
Place: Dept. A, Ctrm. 11
U.S. Bankruptcy Court
2500 Tulare Street
Fresno, CA 93721

TO THE HONORABLE FREDRICK E. CLEMENT, UNITED STATES BANKRUPTCY
JUDGE:

SOUTHERN INYO HEALTHCARE DISTRICT (the “District” or the “Debtor”), the
debtor in the above-captioned bankruptcy case (the “Bankruptcy Case”), hereby respectfully
submits the within *Emergency Motion to Continue Hearing on the Status Conference and the*

Associated Deadlines (the “Emergency Motion”). In support of the Emergency Motion, the District submits as follows:

On October 17, 2017 at 2:00 p.m., the *Debtor’s Emergency Motion (1) for Authority to Immediately Terminate HCCA Management Agreement or, in the Alternative, for Authority to Modify the Terms of the HCCA Management Agreement in Order to Designate the Board as the Sole Signatory on all District Bank Accounts and (2) to Continue Hearing on Second Amended Disclosure Statement and Associated Filing Deadlines* (the “Termination Motion”) [Docket Entry (“D.E..”) 335] came on for a hearing before the Court (the “Hearing”).

At the Hearing, the Court granted the Termination Motion, in part, by authorizing and directing the District to remove Healthcare Conglomerates Associates, LLC (“HCCA”) as the signatory from any and all bank accounts containing the District’s funds. The Court further instructed the Debtor to, by no later than October 25, 2017, file a supplemental brief in support of the Termination Motion addressing, among other issues, whether the HCCA management agreement with the District (the “Management Agreement”) constitutes an executory contract within the meaning of 11 U.S.C. § 365 (the “Supplemental Brief”). The Court further continued the status conference in the Bankruptcy Case to November 8, 2017 at 11:00 a.m. (the “Status Conference”). On or about October 23, 2017, the Court entered a minute order (the “Minute Order”) [D.E. 333], and subsequently, an order (the “Order”) [D.E. 335] confirming its ruling at the Hearing.

On or about October 18, 2017, Marshall B. Grossman of Orrick (“Orrick”) sent a correspondence to Baker & Hostetler LLP (“Baker”), on behalf of HCCA, advising Baker of a potential conflict of interest that HCCA believes to have arisen as a result of the filing of the Termination Motion due to Baker’s prior representation of HCCA in the Bankruptcy Case. Baker does not believe that there is any actual or potential conflict of interest, particularly given the nature and scope of the conflict waivers executed by both HCCA and the District, but in an abundance of caution, and in order to ensure that the interests of the District are protected to the fullest extent, Baker believes that the continuance requested herein will enable the District and HCCA to reach a voluntary agreement regarding rejection and/or termination or enable the

district to retain special counsel to prosecute the issues arising from and relating to the Termination Motion.

Accordingly, the Debtor respectfully requests that the Court continue the hearing on the Termination Motion and any and all deadlines associated therewith (including but not limited to those designated in the Minute Order and/or the Order) for a period sixty (60) days and granting such further and additional relief as the Court deemed just and proper.

Dated: October 25, 2017

Respectfully submitted,

BAKER & HOSTETLER LLP

By: /s/ Ashley M. McDow
Ashley M. McDow

Attorneys for Debtor
SOUTHERN INYO HEALTHCARE DISTRICT

PROOF OF SERVICE

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. I am an employee of Baker Hostetler LLP. My business address is: **Baker & Hostetler LLP, 11601 Wilshire Blvd., Ste. 1400, Los Angeles, CA 90025-0509**

On or about October 25, 2017, I served a true and correct copy of the foregoing documents entitled: **EMERGENCY MOTION TO CONTINUE HEARING ON THE STATUS CONFERENCE AND THE ASSOCIATED FILING DEADLINES** will be served or was served and in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):

Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On or about, October 18, 2017, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

Office of the U.S. Trustee
ustpregion17.fr.ecf@usdoj.gov

Gerald N. Sims on behalf of Creditor BETA Risk Management Authority
jerrys@psdslaw.com; bonniec@psdslaw.com

Kenneth J. MacArthur on behalf of Creditor EverBank Commercial Finance, Inc.
kjm@troygould.com

Lisa M. Peters on behalf of Creditor GE HFS, LLC
lisa.peters@kutakrock.com; marybeth.brukner@kutakrock.com

Trevor R. Pincock on behalf of Creditor Healthcare Resource Group
tpincock@lukins.com; stracht@lukins.com; stracht@lukins.com

Daniel G. Sheldon on behalf of Creditor J.M.H., II, a minor, by and through his guardian ad litem, Mayra Huerta
dsheldon@ssnlaw.com; kterrazone@ssnlaw.com; ncastro@ssnlaw.com

Peter E. Tracy on behalf of Creditor Milton R. Jones, M.D.
inyomono@stanfordalumni.org; mdecoster3@gmail.com

Paul J. Pascuzzi on behalf of Creditor Optum Bank, Inc.
ppascuzzi@ffwplaw.com; lnlasley@ffwplaw.com; kwidder@ffwplaw.com

Russell W. Reynolds on behalf of Creditor Southern Mono Healthcare District
rwlaw4335@aol.com; rreynolds@ch-law.com; sjohnson@ch-law.com

Riley C. Walter on behalf of Interested Party Tulare Local Healthcare District
ECF@w2blaw.com

Riley C. Walter on behalf of Interested Party Tulare Local Healthcare District
ECF@w2blaw.com

Robin S. Tubesing on behalf of U.S. Trustee Tracy Hope Davis
robin.tubesing@usdoj.gov; ustpregion17.fr.ecf@ust.doj.gov

2. SERVED BY UNITED STATES MAIL: On October 25, 2017, I caused to be served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge and/or other parties named constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FAXSIMILE TRANSMISSION, PHONE OR EMAIL (state method for each person or entity served):

Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on October 25, 2017, I caused to be served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge and/or other parties constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Honorable Fredrick E. Clement
United States Bankruptcy Judge
510 19th Street
Second Floor
Bakersfield, California 93301

Honorable Fredrick E. Clement
United States Bankruptcy Judge
2500 Tulare Street
5th Floor, Courtroom 11
Fresno, CA 93721

Healthcare Conglomerates Associates, LLC
c/o Paracorp Incorporated
10940 Wilshire Blvd., Ste. 1600
Los Angeles, CA 90024

Healthcare Conglomerates Associates, LLC
c/o Marshall Grossman
777 South Figueroa Street
Suite 3200
Los Angeles, CA 90017-5855

Healthcare Conglomerates Associates, LLC
c/o Marshall Grossman
631 Wilshire Boulevard
Suite 210
Santa Monica, CA 90401

I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

October 25, 2017
Date

Karla Hernandez
Printed Name

/s/ Karla Hernandez
Signature